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**Howard W. Phillips
202 Wild Partridge Ln.
Radford, Va. 24141**

06/23/00

Sara L Caspar
U.S. E.P.A.
1650 Arch Street
Philadelphia, Pa. 19103-2029

Re: Allied-Pulaski Site, Pulaski Va.

Mrs Caspar

I received your last information , but it has been misplaced and I have been unable to find it , however I did read it and can remember the basic information.

Maple Garden Apts. has no interest in the site in question. Maple Garden is only the location of my office. Maple Garden is not involved in any manner with the Pulaski, Site. You apparently got this information from the letter head that I used in past correspondence with you. On 3/1/00 I sent you a letter . In this letter I suggested that it may be more convenient to use Maple Garden as a correspondence address., perhaps in the future you should revert back to using my residence.

I have fully cooperated with you in all manner. On 1/24/00 I sent you all the information that I had, including the location of all materials from the buildings that were torn down. I have sent you a marked survey showing where all materials were located. I also sent you a copy of the deed.

The LLC that bought the site did nothing but improve it. This site has been here for many years and nothing was done until purchased by the current LLC. The LLC would like to be reimbursed for all expenses and for interest at a reasonable rate on the money that has been used in this project.

I do not feel that the LLC should be responsible for any clean up cost as the LLC has only improved the site.

Sincerely


Howard W. Phillips

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Bell Atlantic Network Services, Inc.
600 East Main Street, 7th Floor
Richmond, VA 23219

Environmental Affairs Organization



Fax

To: Sarah Caspar
EPA

From: Randolph S. Moore
(804) 772-1120

Fax: 215-814-3254

Pages:

Phone:

Date: 7/13/2000

Re: Pulaski Allied Chemical CC:

☐ Urgent ☒ For Review

☐ Please Comment ☐ Please Reply

• Comments:

Per our conversation, enclosed is a copy of the article in the Southwest Times printed in March 2000. Please let me know when the site assessment is performed.

This telecopy transmission contains Bell Atlantic confidential and/or legally privileged information intended only for the addressee(s). If you are not an intended recipient, do not disclose, copy, distribute, or take any action in reliance on these documents. Instead, please notify us by telephone immediately to arrange for their return to us at no cost to you.

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ATTENTION • Kandy MooreBy ROBERT ROBERTSON
Staff Writer540-980-5220

PULASKI — Howard Phillips spent a few months inspecting the property before deciding to buy it. He found it to be the perfect spot to build another batch of storage buildings, similar to the ones the Dublin developer erected alongside Bob White Boulevard.

The thin, 27-acre strip of land he purchased was, without a doubt, an eyesore, but it was one well hidden from public view. Sandwiched between Peak Creek and the string of shopping centers along Main Street in Pulaski, the abandoned land could only be seen in full from atop the mountain ridges on the south side of town.

The primary entrance to the property — and Phillips' project — is Lafayette Avenue. It is there, behind the Bell Atlantic building, that Phillips planned to construct and market seven storage buildings.

He bought the land last fall and quickly set about attaining building and demolition permits from the Town of Pulaski. He received both and, by mid-January, grading was underway.

"I knew I was going to have to do some clean-up work," said Phillips, who works with Maple Gardens Apartments in Dublin.

There were some old buildings on the property, so "We tore them down and cleaned that up," Phillips said.

Focusing on the immediate three acres, Phillips spent about \$27,000 grading the property, about \$8,000 erecting a fence around it and another \$1,000 on bringing in gravel.

Everything was moving along just fine until he got the phone call. He was told to stop work at the site immediately. A couple of days later the town revoked his permits. With no warning, his project was — and still is — stuck in limbo.

"We were going to start the buildings the next day," said Phillips. "I had all my grading work and cleanup done. We were just doing some fine grading."

That will now have to wait. Almost 96 years after a chemical plant opened on the property Phillips now owns, state and federal officials have finally gotten serious about cleaning up the land known simply as the Allied Chemical site.

That's how the location reads on the Superfund, a national database of hazardous sites kept by the Environmental Protection Agency. The Allied Chemical site has been on that list since last November.

Phillips said he had no idea the land in which he invested was under EPA scrutiny. It appears neither did any one else in town.

"My only thought is, if this place still has environmental problems, why has it sat there for 40 years?" asked Phillips. "Why wasn't this taken care of years ago?"

Good question.

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Sometime, somewhere along the line, there was a breakdown in communication. At least, that's how Sarah Casper describes the Allied Chemical site situation.

"This site, the old Allied Chemical facility, is a Superfund site," said Casper, an on-scene coordinator in the removal program with EPA. "It's a site that has been designated as hazardous and a threat to the public's health and to the environment.

"It's been a concern of the Commonwealth for some time, as well as the concern of the EPA," she said.

The concern has a long and convoluted history. It starts in 1904, when General Chemical, the predecessor of Allied Chemical, opened a processing plant in Pulaski. Its workers produced oleum and ferrous sulfide for use in various products, such as soap and fabrics.

In 1920, the plant fell under the direction of Allied Chemical and Dye. The company owned the Pulaski land on which it operated for the next 48 years.

In 1968, Downtown East Inc., a business partnership in Pulaski, bought the plant's property and much of the surrounding area. The lot was at least 32 acres in size. Downtown East then leased the property to Allied Chemical, which operated on the land until 1976 when its plant ceased operation.

Downtown East remained the proprietor of the mostly unused property.

In 1985, Allied Chemical combined with Signal Companies to form Allied Signal. Headquartered in Morristown, N.J., the company morphed yet again last December when it merged with Honeywell in a \$14 billion deal forming one of the world's biggest industrial conglomerates. It is now known simply as Honeywell, though the headquarters remains in N.J.

While Allied Signal's name was being bought, so was its old site in Pulaski. Last fall, Phillips purchased from H.W. Huff, president of Downtown East, 27 acres of the 32-acre lot. Phillips said he had no idea the land had been under environmental investigation for at least 17 years.

Only within the past two years had that scrutiny finally inspired action.

EPA was first made aware of the Allied Chemical site in 1983, according to Casper. Their red flag was tipped when traces of lead was found within Peak Creek, an offshoot of Claytor Lake which flows through town. Working alongside Virginia officials, EPA conducted several tests on the waterway but never initiated any corrective action.

"Each time EPA went down there and did an assessment, the state said they would take care of it," said Casper.

The state, under the direction of its environmental agency (now called Department of Environmental Quality), never did, at least with regard to cleaning up the Allied Chemical site. All efforts went solely into protecting Peak Creek. In the late 1980s, the state put a cap over much of the land to prevent further lead runoff into the creek.

A few years ago, contamination levels within Peak Creek began to rise again. According to a 1999 DEQ report detailing sediment statistics within

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the New River Basin, Peak Creek has comparably high levels of lead, zinc and copper.

Where the creek runs alongside Commerce Street, a recording station there found 420 milligrams of lead per kilograms of dry sediment. The area also had a high level of zinc.

According to Mike McLeod, environmental specialist with DEQ, there is little life in that portion of the creek. The insect life that does exist he considered "impaired."

"The different types of bugs there are not what would be found above town," said McLeod, who would elaborate no further.

The readings from Peak Creek forced the state to finally ask EPA for help.

"We were contacted by Board of Water Quality in Roanoke to go back out again due to contamination showing up in Peak Creek which was definitely coming from the (Allied Chemical) site," said Casper. "That's when we said we'd take the lead."

That was two years ago.

Casper has visited the Allied Chemical site twice, once in the fall of 1998 and again in the spring of 1999.

"We went out and did a removal assessment in October 1998," said Casper.

"We took samples ... and saw high lead levels.

"We went back in April 1999 and did a structural evaluation of building on-site, some of which housed friable asbestos, which is extremely hazardous. It's toxic," Casper said.

One building had "many, many bags, open bags" of asbestos stored inside.

Casper said lead was found in piles of waste and ore. Whenever it rained, water ran off the waste and ore piles into Peak Creek carrying lead and other contaminants. In dry weather, lead dust was blown into the air.

With regard to Peak Creek, the lead contamination is "a level of concern but not a level of harm to fish and wildlife," she said, labeling it only as, "A potential threat."

Casper stressed that the site is not now a significant health hazard. It is its potential of being such that forced the EPA to act and pursue Superfund status.

Casper estimated it would cost about \$2 million to grade the site and dispose of all hazardous materials. Unlike state governments, which can only hold present land owners responsible for environmental hazards, the federal government has the ability to go after past owners as well.

It was for that reason the EPA finally took the reigns from DEQ.

"Present owners don't always have the money to get the work done," said Casper.

The first chore before EPA was to determine what Casper called the "potentially responsible parties" connected with the site. It was they who would be required to finance cleaning up the site per EPA guidelines. If they refused, EPA would itself clean the site while continuing to press the matter against the potentially responsible parties.

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If the parties continued to balk, EPA would eventually direct the matter to the U.S. Justice Department litigation to recover the cost of cleanup. In other words, potentially responsible parties would either agree to clean up the site at their own cost, or EPA would clean it up for them and send them a bill they would be forced to pay.

"If they don't agree to pay, the case then goes to the Department of Justice, and the Department of Justice, in a sense, sues them for the cost," said Casper. "Any work that is done by the EPA out of the Superfund has to be reimbursed. It's not a freebie"

In March 1999, EPA identified two potentially responsible parties with regard to the Pulaski site. Casper won't name them, but she did identify who received notice letters concerning the site — Allied Signal and Downtown East.

One refused the order.

H.W. Huff makes it perfectly clear that Downtown East only did one thing with the Allied Chemical property and one thing only — it owned it. That's it. It didn't contaminate the land, he said. Allied Chemical did.

"Downtown East takes the position that they did nothing to the property and it's somebody else's responsibility," said Huff. "They bought it (from Allied Chemical), leased it back, then rented it to others."

There has been no manufacturing on the site since Allied Chemical was in operation, he said. It has been used on some occasions only for storage. As for the land being on the Superfund, "I have never seen anything about it," he said.

Allied Signal, now Honeywell, has agreed to work with EPA, according to company spokesman Tom Crane.

"We are working with the EPA and the Virginia DEQ to come up with a site evaluation plan to see to what extent we have a problem or if there is a problem," said Crane. "We're more than willing and happy to work with EPA and Virginia DEQ on this."

Casper said EPA was now in the process of responding to the responses it received from Downtown East and Honeywell. An order of consent has been composed with regard to exactly what each must do to clean the property. That order is now in the approval process and will soon be sent to Downtown East and Honeywell.

"When that order is completed, copies will be sent to the potentially responsible parties," said Casper. "Then we can meet and negotiate."

The potentially responsible party who agrees to work with EPA must present an action removal plan specifying what they'll do when and how to clean the site. EPA officials will review the action plan and decide if it's appropriate. If not, alterations are suggested until a consensus is reached.

"Then the work starts," Casper said.

If either party (or both) refuse to accept the order, Casper said EPA will begin cleaning the property using its own resources. Once finished, EPA will

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petition the dissenting party for payment. If the bill is refused, that's when the Justice Department comes in.

Before that road can be traveled, the order of consent must first filter through the EPA to the potentially responsible parties, thought to be Downtown East and Honeywell. Once received, they have roughly two weeks to respond. How long the next step will take is unknown.

Meanwhile, Howard Phillips has no idea what's going on.

Phillips was never supposed to be a part of the equation. His role is one of innocent bystander, a guy who's invested about \$35,000 in work that should never have begun.

Phillips bought the land last fall unaware strings were attached. Sometime in early November, the EPA officially certified the Allied Chemical site as a Superfund site. The news never trickled down.

On Dec. 12, Phillips was granted a building permit by the town of Pulaski to begin demolition work on the land behind Bell Atlantic. He got his building permit for the storage units on Jan. 6, 2000.

Two weeks later the permits were rescinded. A letter dated Jan. 20 to Phillips from town officials said they were suddenly aware "a land disturbing activity is occurring on your property located by the Old Allied Chemical Plant on Lafayette Avenue.

"This activity requires a Land-Disturbing Permit. Pursuing the activity without such a permit is a violation of the Town of Pulaski's Erosion and Sediment Control Ordinance," the one-page letter read.

John Hawley, town engineer with Pulaski, said he was unaware of the status of the property with regard to the EPA when Phillips requested his permits.

"The town knew of no reason we could not issue the permits," said Hawley. "It was a legitimate project, It was zoned adequately.

"Then we had contact from the Environmental Protection Agency. We were asked to withdraw the permits and we did," he said.

At about that same time the town was telling him to stop, the DEQ stepped in as an echo. State officials spoke with Phillips about his development, then sent him a letter dated Jan. 24 stating "this office conducted a site inspection of the Allied-Pulaski Site.

"... Upon inspection and a review of observations and responses, demolition debris from the demolition of building at the site was pushed against the concrete support wall and buried under dirt on-site. In addition, based on knowledge of the building prior to demolition, the DEQ believes that friable asbestos was buried in the same location."

The letter further stated that all activity on site must cease and that Phillips should contact the DEQ enforcement office. That was the last Phillips heard about the land until asked about it by The Southwest Times.

"This site has been here since what, 30 or 40 years, and no one has done anything to it," he said. "I'm in a position I really don't want to be in."

Casper sympathizes with Phillips' plight. She considered his planned development, seven storage buildings, the perfect project for the land. She

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said cleaning up the site would take less than three months. After that, Phillips would be free to continue his project.

"We're not out to ruin people. It's not our objective," said Casper. "Our objective is to get the place cleaned."

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TOTAL P.07